

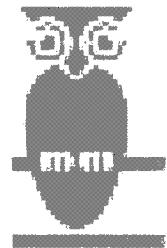
Exhibit 9

Corporate Compliance Quarterly Report to Board of Directors 1Q08

May 16, 2008
Vice President, Corporate Compliance
Bert Weinstein

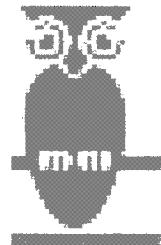


Agenda



- Purdue's CIA and AG Agreement
- Reportable Events Committee
- Corporate Compliance Council
- Risk Areas - Beyond Sales and Marketing
- Seton Hall Initiative
- State Law Reporting and Other "Hot" Topics
- Hotline and Other Inquiries and Investigations



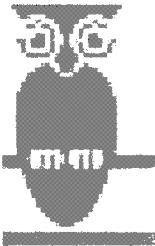


CIA and AG Agreement Status

- CIA Implementation Report
 - Submitted to OIG on 11/28/07
 - Questions received 4/7 - answered 4/10
 - OIG approval of implementation 5/2
- OIG notice of exclusion of individuals - 3/31 letter
 - Purdue responded 4/14 re proposed consulting
 - OIG approval of consulting arrangement – 5/5 letter
- IRO Work plan submitted 1/08
- Preparing for IRO review - summer
- Annual Report Submission to OIG – Due 9/29/08

- Purdue in compliance with AG Agreements
 - Abuse & Diversion Detection (ADD) training - current
 - HCP letter process - current





Reportable Events Committee

- CIA Reportable Events Requirement
 - Purdue must report to OIG any event that it has determined is a probable violation of Federal Health care programs or FDA requirements relating to labeling or promotion of products
- Reportable Events SOP
- Reportable Events Committee quarterly meeting
 - R Abrams, D Haddox, L Steiner, B Weinstein
 - At 4/10 meeting, reviewed all matters and confirmed that none constituted a “Reportable Event”



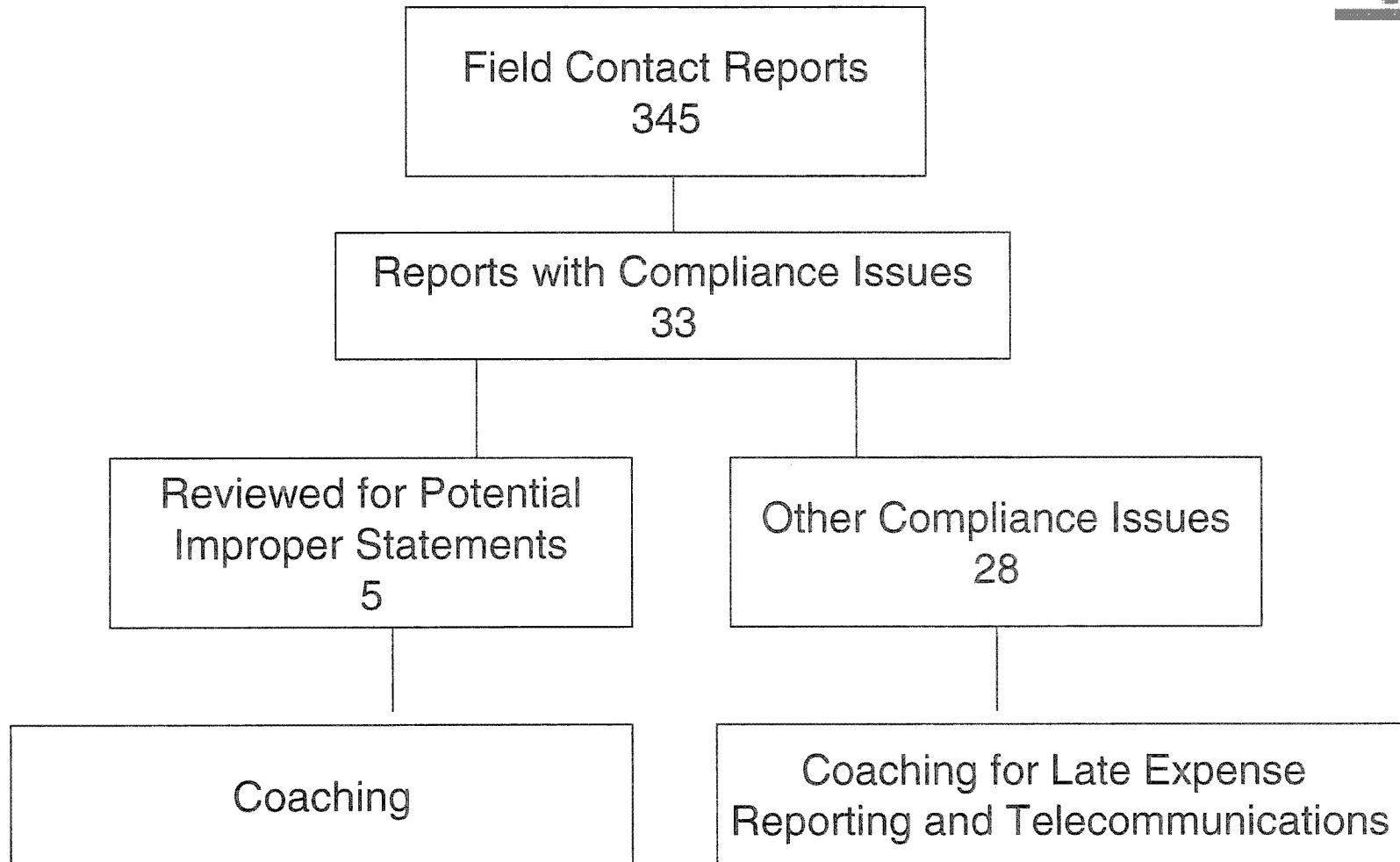
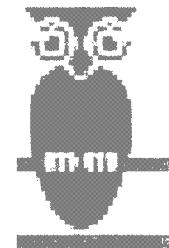


Corporate Compliance Council

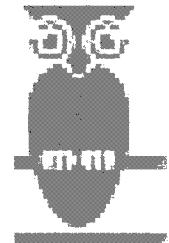
- CIA Corporate Compliance Council Requirement
 - Council's role is to assist in analysis of compliance risk areas, and monitoring of audits and investigations
 - Members: B Weinstein, Chair, W Fisher, R Gasdia, D Haddox, C Landau, D Long, E Mahony, K Schady, A Santopolo, L Steiner
 - Quarterly meeting on 4/22 - reviewed CIA status and milestones, ongoing investigations, audit planning, audits and monitoring programs, hotline and other matters



CIA Field Contact Reports Monitored-Q1



Risk Areas -- Beyond the Sales Force



- Sales force activities remain a focus of scrutiny -- and will remain so for the foreseeable future
- But DOJ scrutiny is extending well beyond traditional sales and marketing areas. Examples:
 - Research funding and activities
 - Medical information, grants, CME, and publications
 - Relationships with institutional customers, formulary sponsors
 - Interactions with patient groups and physician societies
 - Focus on individuals



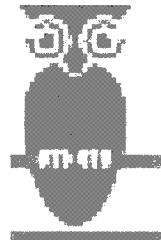
Seton Hall Initiative



- Seton Hall University School of Law Center for Health and Pharmaceutical Law - focus on the pharmaceutical industry
 - Includes "think tank" to address pharma public policy issues and advocate reasonable views
 - Attended the Center's January Forum on Physician Education and Product Promotion -- white paper to follow
 - Funding provided by pharma companies, including Bristol-Myers, J&J, Schering-Plough, Roche, Sanofi-Aventis, and Novartis
 - Participation and funding by Purdue supported by senior officers to evaluate the Center's capabilities and growth prospects
 - Non-Healthcare Grant Committee approved \$25,000 grant

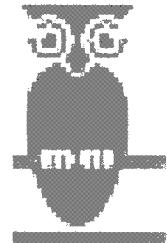


State Law Reporting Update



- 2008 Filings
 - ⌚ 3/1/08 – W. Virginia marketing expenses for 7/1–12/31/07
 - ⌚ 4/1/08 – Maine clinical trials payment (\$1,000)
 - ⌚ 4/15/08 – Maine prescriber privacy payment (\$1,500)
 - ⌚ 5/1/08 – Minnesota HCP expense filing
- Upcoming:
 - ⌚ 6/1/08 - Nevada
 - ⌚ 7/1/08 - California, Maine, D.C.
 - ⌚ 12/1/08 - Vermont
- No compliance issues

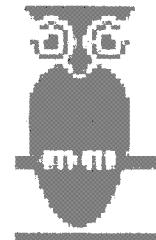




State and Federal Update

- Broad Brush of Pending State Legislation:
 - Prescriber Privacy Laws
 - Price Reporting
 - Clinical Trials Reporting
 - Gift/Meals Reporting
 - Marketing Cost Reporting
- Federal Legislation - S.2029, “*Physician Payments Sunshine Act of 2007*” (Grassley, Kohl), is fluid, but currently provides for:
 - Federal pre-emption
 - \$15 *di minimus* provision (spend <\$15 not reportable)
 - Annual reporting of spend $\geq \$500$
- Plus, many institutions and academic centers are implementing new policies, banning gifts, meals, etc.





Pending “Highlights”

- Massachusetts
 - Proposed banning of all gifts from pharma and device manufacturers
 - Public disclosure
 - Representative Licensing
 - Penalties up to \$5,000 per violation
 - Passed Senate (36-0) and now going before House
- Connecticut AG Blumenthal proposed prohibition against pharma gifts, including:
 - Gifts in exchange for prescribing / interfering with independence of prescriber
 - Gifts for personal use of prescriber
 - Gifts for business use except occasional, minimal value gifts (pens, post-its)
 - Gifts or payments to attend conferences
 - Gifts for patient benefit limited to free samples of prescription drugs valued at less than \$100



Grants / CME: “In the News”



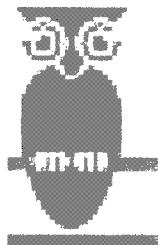
- Recent inquiry from Sen. Grassley to 15 companies pressed for public disclosure of educational grants
- Eli Lilly - first to disclose such grants
- Others are agreeing voluntarily to disclose
- House and Senate both considering disclosure bills, as are state legislatures
- Because legislation or some other specific requirement seems very likely in the short term, Purdue currently holding off to avoid double-work



Hotline Calls and Other Inquiries

1Q08



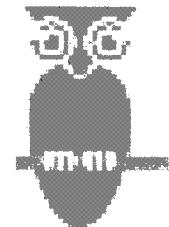


Ongoing Investigations

- Uniphyl batch process at Totowa
 - Investigation of batch record manipulation resulted in terminations
- Reps received outdated Package Inserts from warehouse
 - Working with Admin. Services and Marketing to identify “discontinued materials” for destruction
 - Working with recycling vendor to destroy discontinued materials
- OxyContin Package Insert typo
 - Optical scanning to be used to verify proof copies



Hotline and Other Inquiries - 1Q08



- Investigated 95 matters in 1Q08; 11 had compliance implications.

- 10 Sales & Marketing Matters –

- Use of homemade marketing material during training simulation
 - Improper product outsert included with pens
 - Untimely reporting of AEs (2)
 - Provision of services to HCP
 - Pattern of relationships between rep and HCPs
 - Improper request for consulting arrangement
 - Discussion of OTR plus improper content in rep's call note
 - Untimely review of call notes by DM
 - Conflict of interest (other employment) and falsified call records

- 1 Other Matter - allegation of improper equipment assembly

- All 10 Sales matters were “direct” inquiries – not anonymous Hotlines





Examples of non-CIA Monitoring

- **Inappropriate Provision of Services to HCP – *Training***

Sales Training personnel identified potential quid pro quo during training class. Representative with woodworking hobby had repaired chairs for a customer. Rep trained on possible kickback concerns and required to retake OWL modules and live training on compliance scenarios with DM.

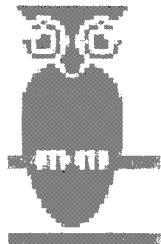
- **Pattern of Relationships - *Coaching***

During ride-along, Sales Training personnel identified concerning relationships rep had with customers. Corporate Compliance and Sales Management had discussion with rep about compliance concerns, especially under Anti-Kickback Statute. Representative agreed to seek guidance from Manager or Corporate Compliance.

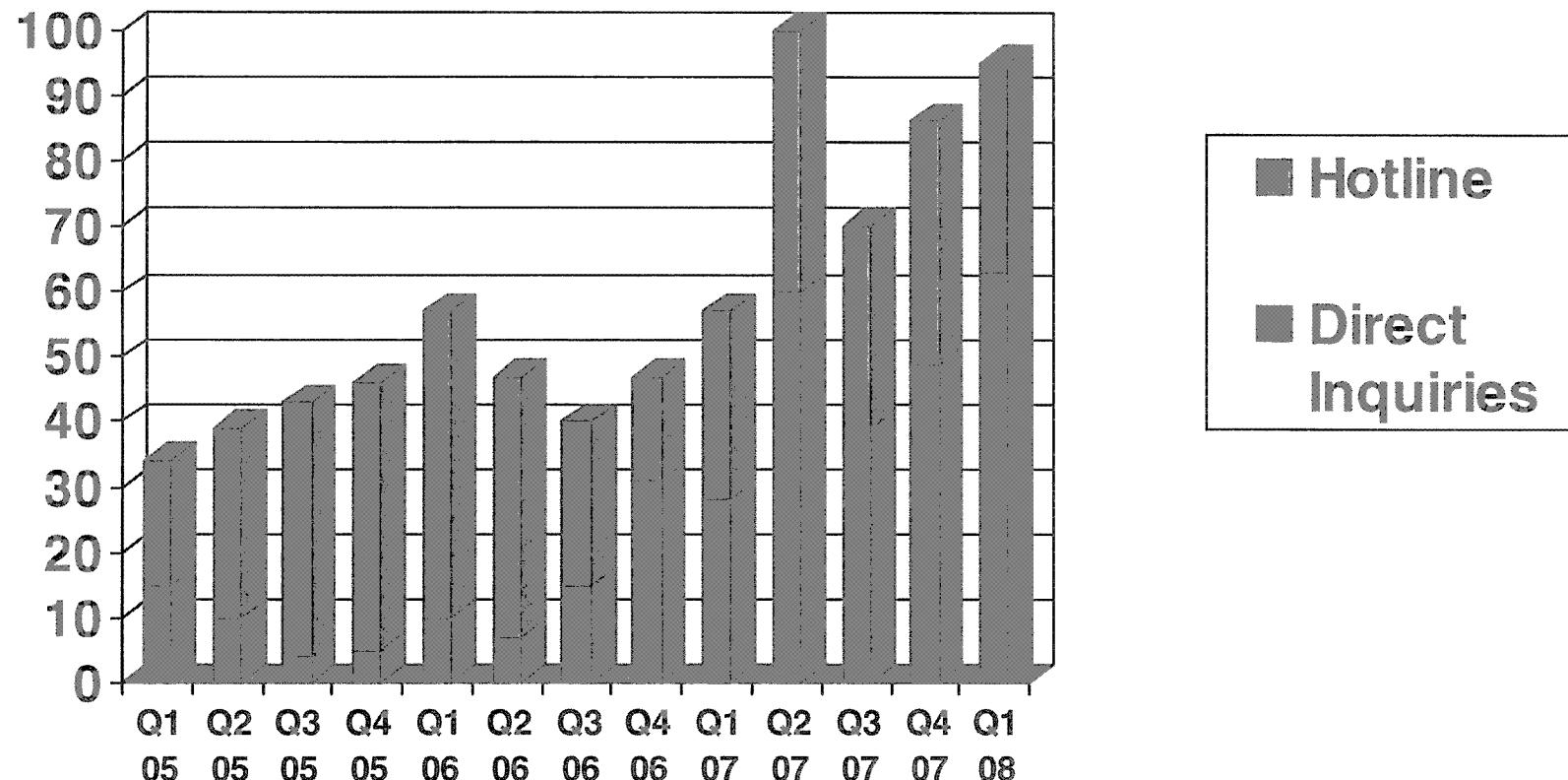
- **Conflict of Interest, Falsified Records - *Termination***

During ride-along, rep talked to Sales Training personnel about involvement in a staffing business that placed healthcare professionals. Sales Trainer identified this as a conflict of interest and discussed with Corporate Compliance. During investigation of outside employment, it became apparent that rep was also falsifying call records. Representative was terminated on next business day.





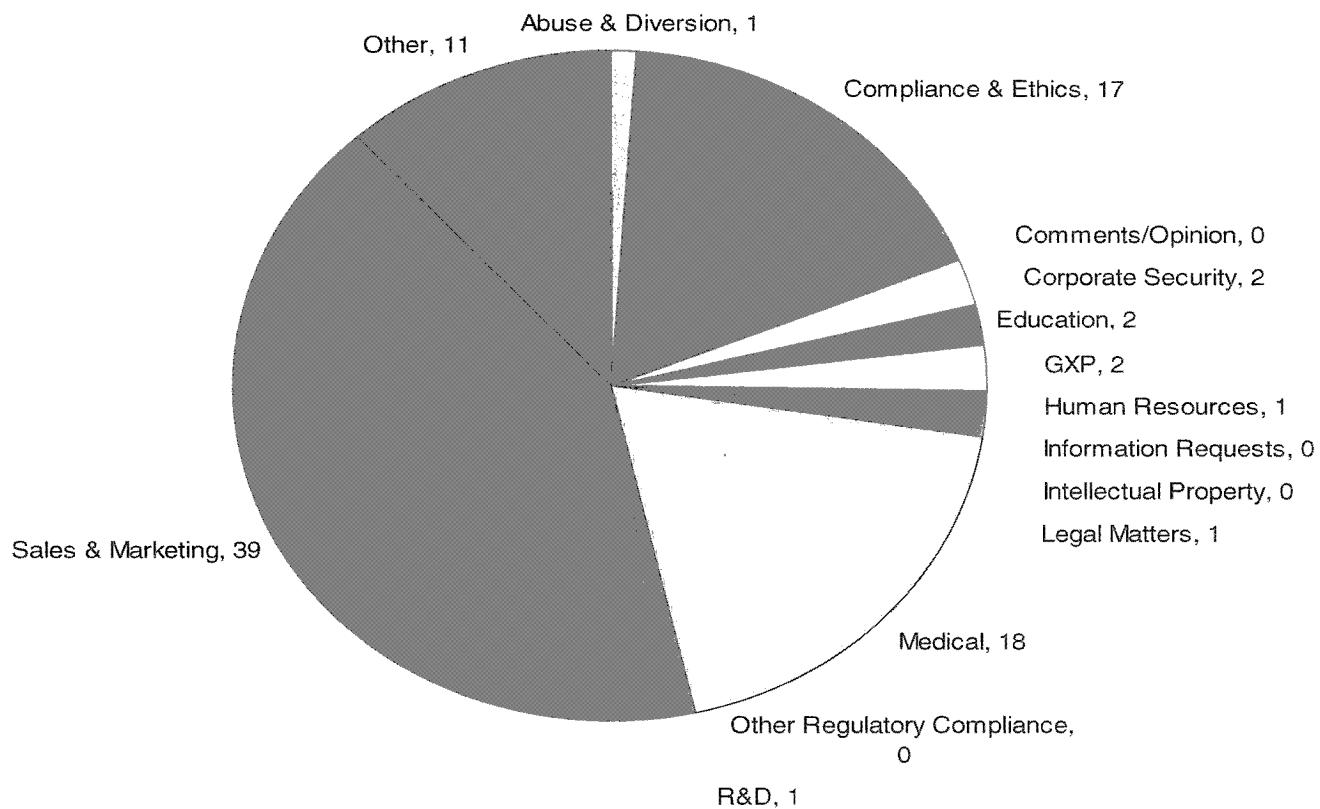
Inquiries by Quarter (1Q05 – 1Q08)

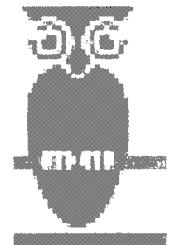


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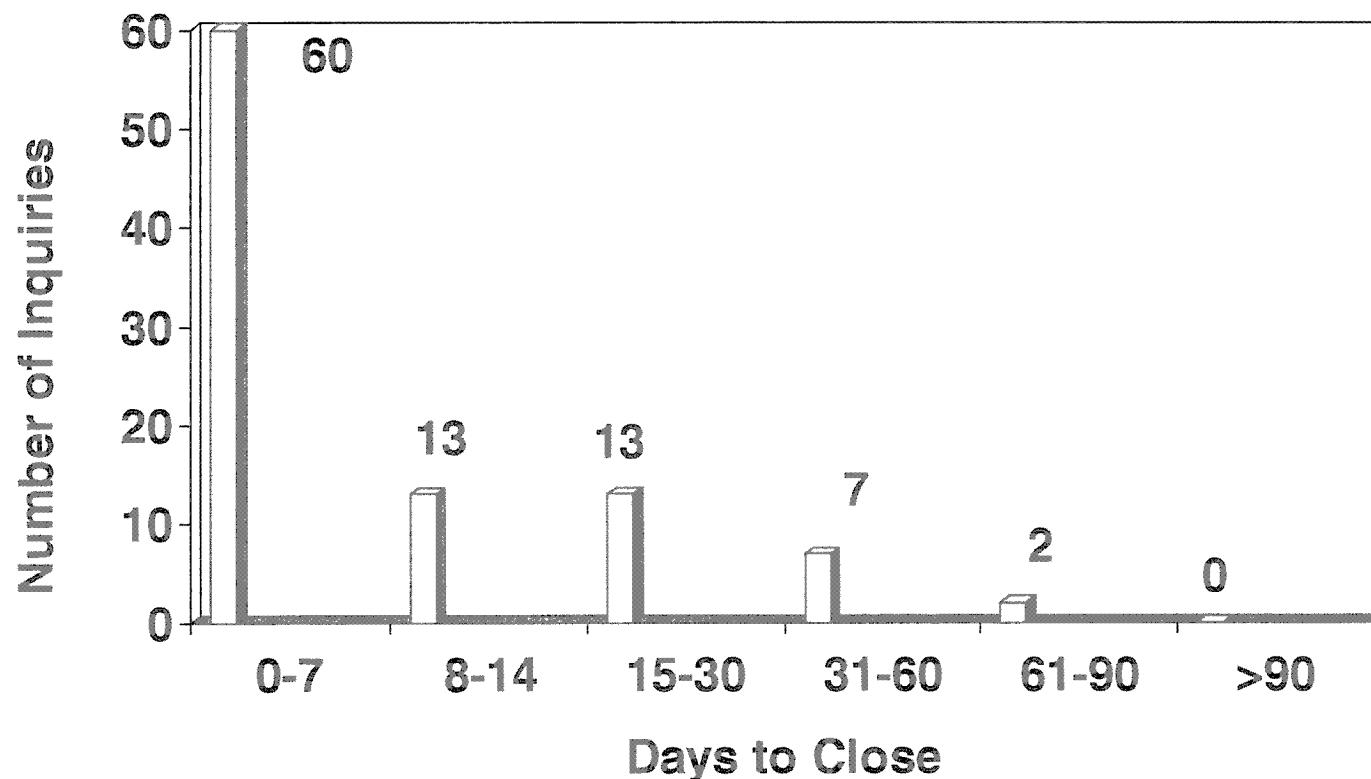
1Q08 Compliance Incidents





Inquiry Response Time

Days to Close Inquiries 1Q08 (as of 05/07/2008)



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